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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

MARY ANN WRIGHT
Acting Division Director

Supervisor 1037

Inspection Report
Minerals Regulatory Program
Report Date: April 1, 2005

Mine Name: Lisbon Valley

Operator or Permittee Name:
SUMMO USA

Permittee Mailing Address:

3900 S. Wadsworth Blvd. Ste. 495, Lakewood, CO
80235

Permit number: M/037/088

Inspection Date: March 11, 2005

Inspector(s): Paul Baker

Other Participants: Frank Bain (Moab BLM); Lantz
Indergard (SUMMO)

Permit Status: Active

Current Acreages: :

Total Permitted (Bonded): 395

Total Disturbed: Unknown

Weather: Clear, 30-40's, a little snow in
protected areas

Inspection Start Time:

Inspection End Time:

Site location/Area Inspected (i.e. Pit #):
Facilities area

Surface Ownership: Fee, SITLA, BLM

Mineral Ownership: Fee, SITLA, BLM

Mineral Mined: Copper

Type of Mine: Surface

Elements of Inspection	Evaluated	N/A	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (open shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Explosives, magazines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Demolition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Backfilling and Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Soils	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Inspection Date: March 11, 2005 Report Date: April 1, 2005
Page 2 of 2
M/037/088

Purpose of Inspection:

We wanted to see how operations were progressing.

Inspection Summary:

1. Permits, Revisions, Transfer, Bonds

On March 11, 2005, the Division approved the Flying Diamond exploration project. This project is for drilling 13 holes outside the existing permit area.

I have been trying to keep track of the status of the various wells and water monitoring points, but I may not have complete information about which wells have and have not been completed. Sometime this spring, I intend to spend some time with the operator's well driller, Mr. Chuck Bauer, and try to make a complete list of the status of wells and exploration sites. Based on this, I plan to reevaluate the bonds for these areas.

3. Protection of Drainages

Design information for all of the drainages is in a report called "Additional Hydrology Detail" which the Division received November 8, 1996. Mr. Indergard mentioned he is working to revise some of the designs. Changes to the approved designs need to be submitted to, and approved by, the Division, the BLM, and the Division of Water Quality.

12. Soils

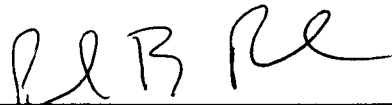
The operator has been salvaging soils from the disturbed areas. Although it appears this is being done according to the plan, I have a concern about putting these soils on 2h:1v or 3h:1v slopes on the heap leach piles during reclamation. The soils appear to be fairly erosive and are from a relatively flat area. Placing them on a slope will likely lead to erosion problems. I suggest that the operator consider either using a substitute soil material (at least for the surface) or that he consider some kind of surface armoring on the slopes.

Although spring is not the best time to seed, the soil stockpiles should be seeded as soon as possible, and I mentioned this to Mr. Indergard. I suggest seeding with an annual grain, such as winter barley, then seeding again in the fall with a semi-permanent seed mix.

15. Facilities

As can be seen in the attached photographs, construction continues to progress on the facilities. Some of the basic grading has been completed for the ponds, and the operator has started work on the first leach pad.

Inspector's Signature



Date: April 1, 2005

PBB:jb

Enclosures: Photo attachment

cc: Lantz Indergard, SUMMO

Frank Bain, Moab BLM; Will Stokes, SITLA

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PHOTO ATTACHMENT

M/037/088, Lisbon Valley Mine, SUMMO USA

Inspection Dated: March 11, 2005; Report Dated: April 1, 2005

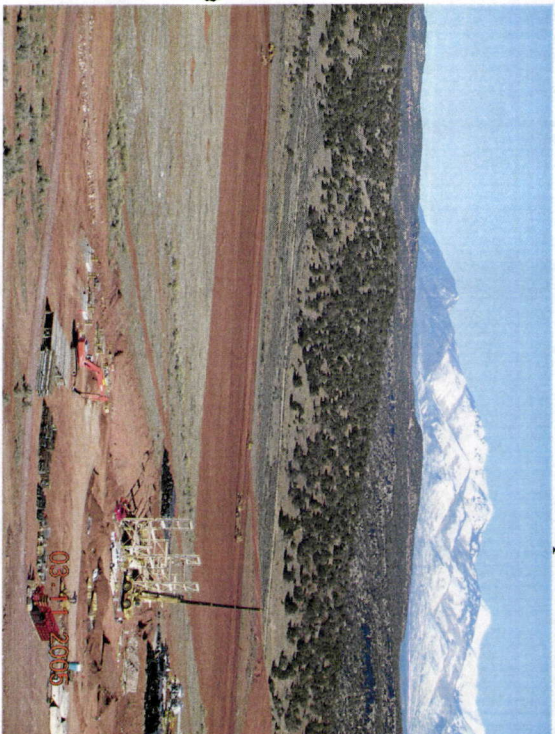


Photo 1. The area being prepared for the leach pad.

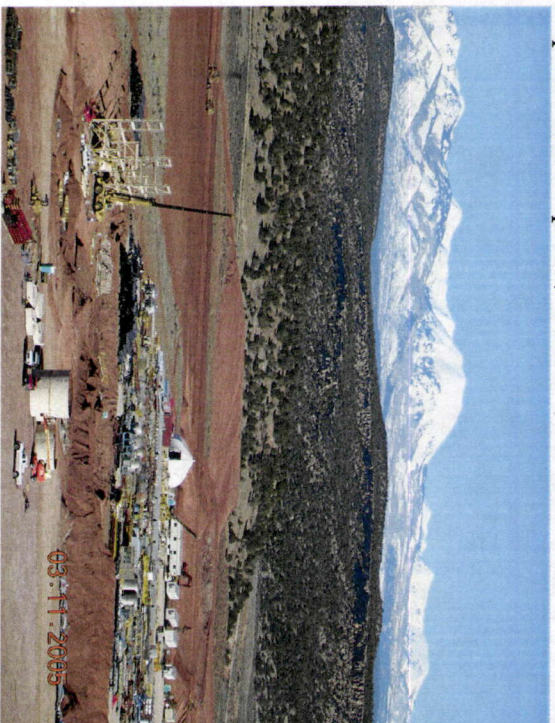


Photo 3. Near the center of this photo (the background of the disturbances) is another topsoil stockpile.



Photo 2. A topsoil stockpile to the southwest of the main disturbance area.



Photo 4. Near the center of this photo, one can see the area where the stormwater, raffinate, pregnant solution, and emergency ponds are being built.

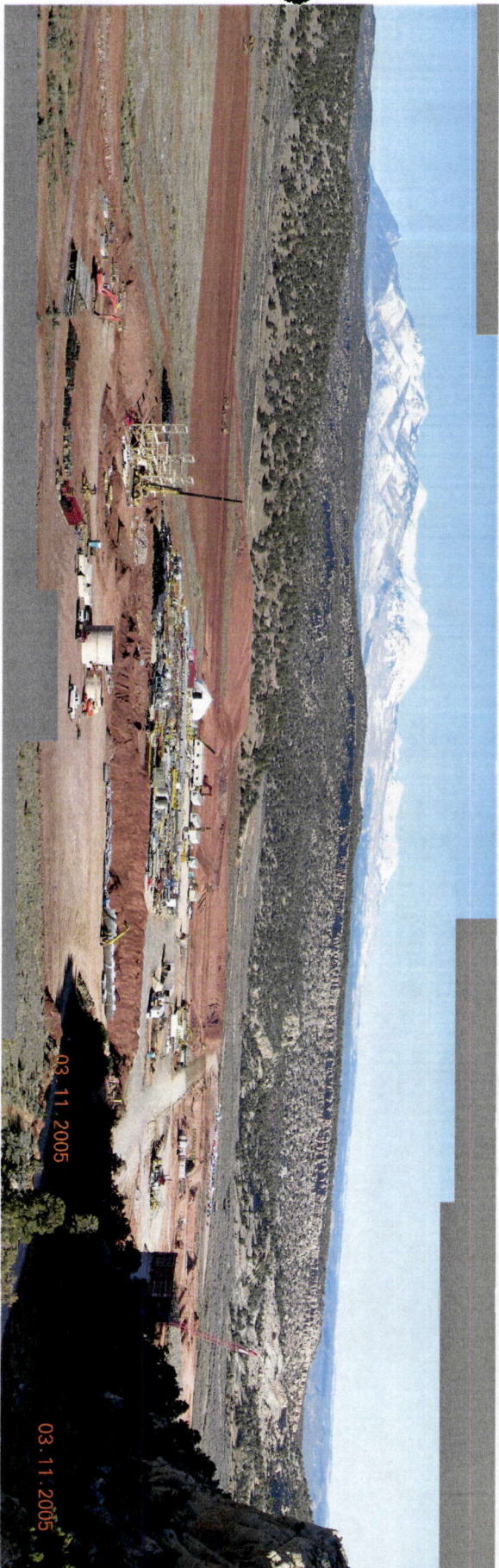


Photo 5. A panorama of the facilities area. This panorama includes three of the photos on the previous page. The primary crusher is partially in the shadow toward the lower right.